

Message Text

CONFIDENTIAL

PAGE 01 KATHMA 04496 310612Z

16

ACTION NEA-12

INFO OCT-01 EA-11 ISO-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

SPC-03 CIEP-02 OMB-01 DODE-00 PM-07 H-03 L-03 NSC-10

PA-04 PRS-01 SS-20 USIA-15 ACDA-19 IO-14 DRC-01 /190 W

----- 121389

R 310246Z OCT 73

FM AMEMBASSY KATHMANDU

TO SECSTATE WASHDC 6675

INFO AMEMBASSY DACCA

AMEMBASSY ISLAMABAD

AMEMBASSY NEW DELHI

AMCONSUL CALCUTTA

USLO PEKING

C O N F I D E N T I A L KATHMANDU 4496

EO 11652: GDS

TAGS: PFOR, NP, IN

SUBJECT: INDO-NEPALESE RELATIONS

REF: NEW DELHI 12062

1. SUMMARY: ACCORDING TO FOREIGN SECRETARY KHATRI, RECENT STATE VISIT TO INDIA MARKED OPENING OF DIALOGUE BETWEEN TWO COUNTRIES. DEVELOPMENT ASSISTANCE, KARNALI, BORDER ISSUES, AND ROLE OF NEPALESE EXILES IN INDIA WERE DISCUSSED BETWEEN SENIOR OFFICIALS ON BOTH SIDES. WHILE NO FIRM DECISIONS REACHED, MANY OF THESE ISSUES WILL BE FOLLOWED UP IN SUBSEQUENT WORKING-LEVEL DISCUSSIONS. INDIANS ASSURED NEPALESE THEY WOULD NOT SUPPORT EXILE ACTIVITIES AGAINST NEPAL. DESPITE THESE ASSURANCES, NEPALESE SUSPICIONS OF INDIA ARE FAR FROM ASSUAGED AND GON WILL BE WATCHING CAREFULLY TO SEE HOW INDIA FOLLOWS UP. END SUMMARY.

2. ON OCTOBER 26 I CALLED ON FOREIGN SECRETARY KHATRI FOR NEPALESE VIEW OF KING BIRENDRA'S STATE VISIT TO INDIA. KHATRI, WHO WAS
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 KATHMA 04496 310612Z

EXTREMELY CAUTIOUS IN ALL HIS COMMENTS, SAID THAT THE VISIT HAD

GONE WELL AND HAD LED TO THE OPENING OF A DIALOGUE BETWEEN THE TWO COUNTRIES. HE SUGGESTED THAT FROM KING'S POINT OF VIEW VISIT WAS ALSO IMPORTANT FOR ITS PILGRIMAGE ASPECTS AS WELL AS FOR THE SUBSTANTIVE POLITICAL DISCUSSIONS WHICH TOOK PLACE.

3. COMMENTING ON PARTICULAR SUBSTANTIVE ISSUES, KHATRI SAID THAT INDIANS HAD EXPRESSED CONSIDERABLE WILLINGNESS TO EXTEND AND INCREASE CONTRIBUTION TO NEPALESE DEVELOPMENT. KARNALI PROJECT IN PARTICULAR HAD COME UP AND KHATRI LED THESE DISCUSSIONS ON NEPALESE SIDE. INDIANS EXPRESSED DESIRE TO CARRY OUT THEIR OWN INDEPENDENT FEASIBILITY STUDY OF PROJECT; NEPALESE AGREED. INDIANS HAD PREVIOUSLY AGREED THAT NEPALESE COULD INVOLVE WORLD BANK AND OTHER OUTSIDE EXPERTS. KHATRI SAID TWO MAIN PROBLEMS REMAINED TO BE SORTED OUT: PRICE AT WHICH INDIA WOULD PURCHASE SURPLUS POWER FROM KARNALI AND MECHANISM UNDER WHICH FOREIGN EXCHANGE COSTS OF PROJECT COULD BE MET. KHATRI NOTED THAT ONE ISSUE WHICH WORLD BANK HAD PREVIOUSLY RAISED, ASSURED MARKET FOR POWER GENERATED AT KARNALI, HAD NOW BEEN RESOLVED. HE HOPED SENIOR GON OFFICIALS WOULD HAVE OCCASION TO DISCUSS KARNALI ISSUES FURTHER WITH IBRD PRESIDENT MCNAMARA NEXT MONTH.

4. IN RESPONSE TO MY QUESTION ABOUT INDIAN ATTITUDE TOWARDS HIGH-JACKING AND NEPALI CONGRESS PARTY (NCP) ACTIVITY, KHATRI SAID THAT NEPALESE HAD RECEIVED "ASSURANCES" FROM INDIANS, NATURE OF WHICH HE DID NOT SPECIFY. KHATRI STRESSED THAT NEPALI CONGRESS POSED NO THREAT TO NEPAL AS LONG AS IT SUPPORTED FROM OUTSIDE. INDIANS HAD AGAIN STRESSED THAT ALL-OUT EFFORT BEING MADE TO APPREHEND HIGHJACKERS.

5. I ASKED KHATRI ABOUT OUTSTANDING BORDER ISSUES AND ALSO CURRENT STATUS OF INDIAN MILITARY SUPPLY RELATIONSHIP WITH NEPAL. ON FORMER, HE SAID ISSUE WOULD BE HANDLED AT WORKING LEVEL AND NEW EFFORT WOULD BE MADE TO SOLVE FEW REMAINING BORDER PROBLEMS AND TO ERECT NEW DEMARCATION PILLARS. ON LATTER POINT (MILITARY SUPPLY), KHATRI SAID INDIANS WERE FULFILLING THEIR OBLIGATIONS BUT GON PREFERRED NOT TO BE TOTALLY DEPENDENT ON SINGLE SOURCE OF SUPPLY AND WAS LOOKING FOR WAYS TO ACHIEVE SOME DEGREE OF DIVERSIFICATION.

6. WE ALSO BRIEFLY DISCUSSED PRESS COVERAGE OF VISIT AND AGREED
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 KATHMA 04496 310612Z

THAT INDIAN PAPERS HAD IN GENERAL TAKEN POSITIVE ATTITUDE TOWARDS ROYAL VISIT. KHATRI, HOWEVER, EXPRESSED SOME RESERVATIONS ABOUT WHETHER OR NOT PRESS COMMENT "FULLY REFLECTED POLITICAL REALITIES" AND WHILE GRATIFIED AT COVERAGE, DID NOT RULE OUT POSSIBILITY THAT CONTENTIOUS ISSUES MIGHT AGAIN SURFACE IN INDIAN PRESS. HE SAID INDIAN PRESS REPORTS OF SINO-NEPALI BORDER CLASH WERE "BASELESS."

7.COMMENT: GENERAL TENOR OF MY CONVERSATION WITH FOREIGN SECRETARY WAS SUCH AS TO SUGGEST THAT VISIT BY NO MEANS REMOVED NEPALESE SUSPICIONS OF INDIAN INTENTIONS. EVIDENT, HOWEVER, THAT INDIANS ARE SEEKING TO ASSURE GON OF THEIR FIRM COMMITMENT TO NEPALESE ECONOMIC DEVELOPMENT AND TO CONVINCE GON THAT THEY HAVE NO INTENTION OF EXACERBATING NEPAL'S POLITICAL PROBLEMS BY SUPPORT TO NCP EXILE LEADERSHIP. NONETHELESS, SUSPICIONS OF INDIA RUN DEEP IN KATHMANDU, AND GON WILL OBVIOUSLY BE WATCHING CAREFULLY TO SEE WHETHER INDIAN PERFORMANCE CONFORMS WITH ASSURANCES AND PUBLIC STATEMENTS GIVEN AND MADE DURING BIRENDRA'S VISIT.
CARGO

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN RELATIONS, FOREIGN POLICY POSITION, CHIEF OF STATE VISITS
Control Number: n/a
Copy: SINGLE
Draft Date: 31 OCT 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: elyme
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973KATHMA04496
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS CARGO
Errors: N/A
Film Number: n/a
From: KATHMANDU
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t1973103/aaaaabpy.tel
Line Count: 128
Locator: TEXT ON-LINE
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: NEW DELHI 12062
Review Action: RELEASED, APPROVED
Review Authority: elyme
Review Comment: n/a
Review Content Flags:
Review Date: 19 DEC 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19-Dec-2001 by martinml>; APPROVED <10-Jan-2002 by elyme>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: INDO-NEPALESE RELATIONS
TAGS: PFOR, NP, IN
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005